

ment reported that the biggest *current* threat to telecommunications were digital telephony and encryption (p. 220).

Not surprisingly, the US Government had little success in promoting the concept in Europe and the OECD.

*Privacy on the Line* is an ideal read after *Technology and Privacy: The New Landscape*. Most of the book focuses on the US experience, but then the US, through its attempts to control encryption technologies on a global scale, is central to the issue. Cryptography is a threat (and an opportunity) to the economic, political, military and technological dominance of the US in an information economy. It's not surprising, therefore, how far the US is prepared to go to regulate cryptography.

Hopefully we will see widespread consumer access to encryption technologies in the next chapter of the cryptography story. The Internet is an ideal platform for mass-market global communications and an opportunity to restore privacy to personal communications. But perhaps business and consumer interests will divide in respect of encryption. That will be an interesting struggle.

To read an interview with Whitfield Diffie and find out more about *Privacy on the Line* go to: < <http://mitpress.mit.edu/news/diffie/interview.html> > . If, after reading *Privacy on the Line*, you want to download PGP (Pretty Good Privacy) to protect your email, go to: < <ftp://ftp.au.pgp.net/pub/pgp/pgpi/> > .

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### **Die Rechtmäßigkeit europäischer Fernsehquoten aus kompetenzieller, grundrechtlicher und welthandelsrechtlicher Sicht**

Michael Frese

*Frankfurt, Germany, Peter Lang Verlag, 1998, 173 pp., DM 69.00, ISBN 3-631-33043-X*

### **Die Filmpolitik der Europäischen Union im Spannungsfeld zwischen nationaler staatlicher Förderung und US-amerikanischer Mediendominanz**

Sabine Jarothe

*Frankfurt, Germany, Peter Lang Verlag, 1998, 434 pp., DM 98.00, ISBN 3-631-32725-X*

### **Unzulässiger Protektionismus der europäischen Medienpolitik? Die Maßnahmen der Europäischen Gemeinschaft zum Schutz des europäischen Films und ihre Vereinbarkeit mit dem durch das GATT und die WTO-Vereinbarungen gebildeten Rechtsrahmen**

Karin Sandberg

*Frankfurt, Germany, Peter Lang Verlag, 1998, 306 pp., DM 98.00, ISBN 3-631-32068-X*

Although for many years German academe has not taken account of the conflicts between international liberalization of services and cultural policy, despite the fact that these conflicts were at the centre of numerous controversies within the GATT, WTO

and WIPO, Peter Lang Verlag in Frankfurt has published three different monographs (in German) on this theme in 1998 alone: two law dissertations (Frese, Sandberg) and one political science work (Jarothé).

Jarothé's book is the most extensive of the three. It deals with the conflict between economics and culture, taking the example of the controversial film policy worked out between the USA and the EU. The following themes are dealt with consecutively and in exemplary systematic form: film policy in the FGR, France and the USA, the global media dominance of the USA, the crisis in the European film industries and EU film policy. For pragmatic and economic reasons, the author criticizes the EU's television quota policy towards the USA, whereby 50% of all programmes on European television must be of European origins. First of all, this policy is only half-hearted, and second, it (indirectly) furthers US dominance, for example, through the fact that European television stations can show American material at prime viewing time and thus European products might be relegated to unattractive slots. The author develops a closing plea for a de-nationalization of individual national film policies in Europe and a greater economization of the overall film sector. Europe can only stand up to the American media industry if it assumes different economic dimensions to those that exist at present.

It is certainly very interesting to see that a jurist like Karin Sandberg comes to theoretically altogether different conclusions than the social scientist Jarothé. In her analysis of the GATT conflict between the USA and the EU, she proceeds with the assumption that the EU did not succeed in 'ensuring that long-term measures be taken and flexibly handled towards the protection of the European film industry'. According to Sandberg, it is unfortunate that the EU 'let its weapons be taken out of its hand'. Whereas the EU lost the battle with the USA on basic issues and from a legal viewpoint, it still had some room to manoeuvre on the theme of subsidies for films in future WTO negotiations.

Compared to these two works, Michael Frese's law dissertation seems quite basic. This publication also deals with the problem of European TV quotas towards the USA, and assumes that it is not legally possible to define 'European culture', 'cultural identity' or 'national culture'. Given this impossibility, the EU's television quota regulation simply crumbles. Thus at the end of the book one can read the terse and dogmatic claim that 'There is no legal relevance to the protection of a European cultural identity and/or a cultural identity of the individual member states' (p. 151).

How one would like to cry at the author, 'dreadful jurists!' It's a good thing that democratic systems must define themselves not just legally but above all politically, and that German Basic Law recognizes a cultural sovereignty for its federal states, despite the fact that Michael Frese cannot and does not wish to legally define culture.

In the tension that exists in our information society between economics and culture, the behaviour of the current federal German government is anything but free of opportunist inconsistencies. Whereas with regard to European television the federal government has always supported the economically driven principle of free trade (and therefore opposes the TV quota in Brussels, against France), as regards the trans-border European trade in books it points to the culturally driven principle of the protection of culture, because an abolition of fixed prices for books, as demanded by Brussels, would be a threat to culture.

Why is it that bi- or multi-lateral quota agreements between the USA, Japan and the EU on automobiles, microchips or textiles are not only an ordinary occurrence, but more common than free trade agreements, and why are such agreements generally regarded as good and economically meaningful, whereas quotas in the realm of culture are often

seen as ineffective, provincial and outmoded? For answers to these questions it is warmly recommended to read the three books under review.

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### **Privatisierung und Internationalisierung von Telefongesellschaften**

Ernst-Olav Ruhle

*Frankfurt, Germany, Peter Lang Verlag, 1996, 274 pp., DM 84.00, ISBN 3-631-49911-6*

This dissertation in the field of political economy is a descriptive empirical work and not a socio-scientific normative study. This is both an advantage and a disadvantage. The work deals with two aspects of the changes in the telecommunications sector: the privatization of telephone companies, on the one hand, and their international strategies on the other. The objective of the work is to provide a systematic survey of developments related to the privatization and internationalization of network operating companies. For this purpose, the work is divided into six chapters.

The introduction discusses and examines the economic rationale behind a telephone company's entry into a foreign market. This is followed in the first chapter by the author's argument that the so-called natural monopoly no longer applies in the case of telecommunications. At the same time, the author concedes that in the transitional phase from state monopoly to private enterprise, the telecommunications market requires a state regulatory authority, at least for a time, for competition reasons. Chapter two is devoted to the experiences of various telephone companies with privatization, in particular Deutsche Telekom. Chapter three serves to describe processes of internationalization, which are then empirically examined in chapter four. This is done using data from a database containing all the important data on attempts by 28 telephone companies to access foreign markets. The resulting analysis is embedded into a framework in which the suitability of different foreign trade theories for the internationalization of telephone companies is examined.

Chapter five presents the findings of the empirical analysis, from which the author concludes that telephone companies only enter foreign markets: (1) when there are specific advantages for the provider company; (2) when the home or target country has relevant advantages in terms of location; and (3) when there are incentives to internationalize.

As in many descriptive empirical works, the findings may seem banal in view of the huge amount of work involved, but they certainly have the advantage of being empirically sound, and in this sense Ruhle's dissertation is to be highly recommended for people interested in the subject.

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